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7th plenary meeting
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New York

President: Ms. Al-Khalifa ..... (Bahrain)

The meeting was called to order at 10.20 a.m.

High-level Meeting on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Agenda item 56

Groups of countries in special situations

(a) Third United Nations Conference on the Least Developed Countries

Report of the Secretary-General (A/61/173)

Report of the preparatory meeting of experts for the high-level meeting on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/61/323)

Draft resolution (A/61/L.2)

The President: The General Assembly, pursuant to resolutions 59/244 of 22 December 2004 and 60/228 of 23 December 2005 and decision 60/556 of 16 May 2006, will convene today and tomorrow the High-level Meeting on the midterm comprehensive global review of the Programme of Action for the Least Developed Countries for the Decade 2001-2010.

In that connection, the Assembly has before it a draft resolution issued as document A/61/L.2. It is my understanding that draft resolution A/61/L.1 has been withdrawn.

During the High-level Meeting, the General Assembly will assess the progress made in the implementation of commitments; the meeting will provide an occasion to reaffirm the goals and objectives agreed upon at the Third United Nations Conference on the Least Developed Countries, to share best practices and lessons learned, and to identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for the further implementation of the Programme of Action, as well as new challenges and emerging issues.

(*spoke in Arabic*)

I am honoured to be with you all here today at this High-level Meeting on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010.

I would like to begin by extending my warmest thanks to all Member States for their participation; to the Secretary-General for leading the invaluable efforts of the United Nations in support of the least developed countries; to Under-Secretary-General Anwarul Chowdhury for his substantive role in the implementation of this Programme; to the experts who spent three challenging days earlier this month preparing for this High-level Meeting; and to the

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various United Nations funds, programmes and specialized agencies for their determination in helping to elevate the status of 600 million people living in the 50 most vulnerable countries of the world.

We are gathered here today to renew and reaffirm our political determination to meet by the year 2010 the commitments set out in the 2001 Brussels Declaration and Programme of Action at the national and international levels. It is only through a global partnership bringing together least developed countries (LDCs), donor countries, civil society, non-governmental organizations and the private sector that we can translate this collective endeavour into measurable outcomes and can face the challenges of abject poverty.

Against this background, I am particularly encouraged that Member States have welcomed my proposal to discuss the implementation of global partnership for development in this year's general debate.

The least developed countries remain marginalized in the world economy and continue to suffer from extreme poverty, child mortality and HIV/AIDS, often with insufficient domestic capacity to have a long-term impact on those issues. In many instances, development is being set back by civil conflict and the cost required to rebuild everyday life. These impediments to development make LDCs even more vulnerable to internal and external shocks and deprive them of the ability to take advantage of the economic opportunities of globalization.

Together, the 2001 Brussels Declaration and Programme of Action represent a comprehensive strategy for a global partnership to lift millions of people out of extreme poverty. At the 2005 Summit, world leaders reaffirmed their commitment to the eradication of global poverty, the achievement of sustainable development and economic prosperity for all. They urged all parties to continue making concerted efforts and to adopt speedy measures in order to meet the goals and targets set out in the Programme of Action.

As we move forward and implement those noble goals, we must always remind ourselves that poverty has a human face. It is the face of children who go without food, of young women who sacrifice the opportunity for education and empowerment in order to work or care for their brothers and sisters, and of elderly persons who have no one to care for them in their old age.

Recently, in Benin, LDC ministers re-committed themselves to the improvement of their people's welfare and reaffirmed their unswerving resolve to implement the Brussels Programme of Action. As a result of joint efforts made at the national and international levels, in 2004, LDCs were able to achieve an annual average growth rate of six per cent — the highest in four decades. That commendable achievement demonstrates how, together, we can overcome the obstacles to development and achieve our common goals.

However, overall progress remains mixed. Recent studies by United Nations agencies and the World Bank have revealed that 34 of the total of 50 LDCs are experiencing an increase in extreme poverty. In sub-Saharan Africa, the situation is particularly acute, where by current trends most of the Millennium Development Goals will not be achieved by 2015. In fact, over the next decade, extreme poverty could actually increase. An additional 100 million people could join the 370 million people already living in abject poverty.

Although it is alarming, this situation should not discourage us from our common mission, the common thread that gives us unity of action to deal with world poverty — namely, the Millennium Development Goals. Together, we have an urgent moral imperative to eradicate abject poverty. We can find encouragement in the fact that, in contrast with previous centuries, we now have the technical know-how and resources to make a real and long-lasting difference. We must spare no effort to bring about significant changes in the lives of millions of women, men and children trapped in extreme poverty.

When receiving her Nobel Peace Prize in 2004, Professor Wangari Maathai of Kenya stated,

> "In the course of history, there comes a time when humanity is called to shift to a new level of consciousness, to reach a higher moral ground. A time when we have to shed our fear and give hope to each other".

Let us ponder the wisdom of these words for a moment as we embark upon the task ahead of us. I believe the time has come. The time is now.

On this occasion, let us demonstrate our determination to eradicate poverty by redoubling our commitment and strengthening our efforts. We must reaffirm our solidarity and collective resolve to reach out to every woman, man and child afflicted by hunger and disease. Together, let us give them a real chance to escape the dehumanizing misery of extreme poverty.

I now give the floor to Mr. Mark Malloch Brown, Deputy Secretary-General.

The Deputy Secretary-General: It gives me great pleasure to welcome, on behalf of the Secretary-General, delegates as the General Assembly begins a new session.

This midterm review of the 2001 Brussels Programme of Action is an occasion for stocktaking and sombre reflection. Over the past five years, least developed countries (LDCs) have experienced higher economic growth, greater exports and larger investment flows. They have also made some progress towards several human development goals, including reducing maternal and child mortality and increasing universal primary enrolment.

Yet, despite significant progress by some LDCs, their gains as a group have been insufficient to meet the goals agreed to in Brussels. And they have had minimum impact where it is most needed, as we have just heard from the President, in the fight against extreme poverty.

The limited data available on recent poverty trends is not encouraging. It suggests a negligible decline, and even some increases, in income poverty. Indeed, right now LDCs are considered to be the least likely group of countries to meet all the Millennium Development Goals, including the goal of reducing poverty by half by 2015. And in an unprecedented reversal of historical trends, life expectancy is declining in several LDCs that are most affected by HIV/AIDS and civil strife.

This is hardly news to all of you. After all, just this summer in Cotonou, your representatives acknowledged the weak implementation of the Brussels Programme of Action, while strongly reaffirming the need for its full implementation.

To that end, we must accelerate and expand our efforts. First, we must further secure development on the stable bedrock of democracy, human rights and good governance. Secondly, we must make globalization work at least as much for the poor as for the rich. To prosper in today's competitive economy, all countries need, in the first instance, to mobilize their own resources and attract investment from abroad. Their ability to do that depends, in large part, on the quality of their governance.

Least developed countries must, for example, continue to improve their institutions and strengthen the rule of law. If LDCs are to eradicate poverty and promote human development, we need to do there what we do anywhere else — and that is to stress democratic governance as one of the main foundations of progress.

Such governance means ensuring that the poor have a real political voice. And it means strong, transparent institutions that are capable of providing the services and protections people need most — not just health care and education, but also personal security and access to justice.

But let us be clear: if national action must lead the way, international support must light the path. For if globalization is to have meaning for the citizens of the least developed nations, then LDCs must have secure, predictable market access. They must have further debt relief, and they must have more and better assistance.

Development progress on external debt relief needs to be sustained so that the debts of all LDCs are reduced to levels that prevent their being an impediment to development. At the same time, the rising volume of development assistance must rise further. There is still a way to go before all donor countries attain the 0.2 per cent of the gross national income target established by the Brussels Programme of Action. Yet, increased official development assistance (ODA) remains imperative if LDCs are to fight poverty and build the social, institutional and other tools they need to compete in the global economy. Ultimately, it is from the global trading arena that many of the most durable gains will ebb or flow.

As it stands now, the global economy is an uneven playing field. Subsidies and non-tariff measures for agriculture in developed countries, for example, continue to act as a disincentive to agricultural production and exports in LDCs and work at cross-purposes with ODA. To address this imbalance, least developed countries need secure, predictable access to markets. They need duty- and quota-free access to all developed economies, without

exception, by 2008. They need the reduction and elimination of all non-tariff barriers to their exports. They need simplified and harmonized rules of origin and trade procedures for their exports. And they need a greater voice in international financial institutions and multilateral standard-setting bodies.

Until now, LDCs have benefited from the limited outcomes of the Doha Trade Agenda. Yet, further trade negotiations will likely erode the preferences currently available to them. That is why, as new export opportunities are opened up, many poor countries need external assistance to make use of them.

As that happens, the United Nations, both our High Representative Anwarul Chowdhury and all Funds and Programmes and Departments of the Secretariat, will continue to help LDCs take advantage of more open markets and more generally build the capacity for them to compete in the world economy. As allies of those countries, we will do all within our capacity to contribute. Working together with developed economies and donor nations, I hope we can make up for lost ground and achieve the progress that Brussels envisioned.

The President: I would now like to draw attention to some organizational matters pertaining to the conduct of the meeting.

In order to accommodate all the 78 speakers inscribed on the list, I urge speakers to limit their statements to no more than five minutes, on the understanding that this does not preclude the distribution of more extensive texts. I further appeal to speakers to deliver their statements at a normal speed within these time limits, so that interpretation may be properly ensured.

To assist speakers in managing their time, a light system has been installed at the speaker's rostrum which operates as follows: a green light will be activated at the start of the speaker's statement, an orange light will be activated 30 seconds before the end of the five minutes, and a red light will be activated when the five-minute limit has been reached.

Furthermore, in order to avoid disruption for the speakers, I would request participants to remain in their seats after a statement has been delivered.

The Assembly will now hear an address by His Excellency Mr. Boni Yayi, President of the Republic of Benin and Chairman of the group of Least Developed Countries.

President Yayi (*spoke in French*): As Chairman of the Least Developed Countries Coordination Bureau, I would like to congratulate you warmly, Madam, upon your election to the presidency of the General Assembly at the sixty-first session. I am certain that under your leadership the work of the Assembly will be crowned with success.

This High-level Meeting gives me the opportunity, for the first time since becoming President of the Republic of Benin, to address the General Assembly. I would like to pay deserved tribute to all the eminent individuals who have contributed to promoting peace, security and harmonious development in the world. Benin has always been committed to those values and continues more than ever to be one of the most ardent and devoted advocates of the United Nations.

With a view to finding a solution to the specific problems of the least developed countries (LDCs), the international community adopted the Programme of Action for the Least Developed Countries for the Decade 2001-2010 on 20 May 2001 at Brussels, in a spirit of responsibility and solidarity. The Programme of Action will promote development, and, if correctly implemented, will enable those countries to lay a better foundation for their own development and to create and maintain propitious conditions for growth.

At the time of the Programme's adoption, it was decided to carry out a midterm comprehensive global review of its implementation and identify any problems or difficulties encountered in order to find a better way to achieving the agreed goals. Therefore, and in accordance with the relevant resolutions of the General Assembly, we are meeting here in New York to review with courage and a sense of responsibility the implementation of the Brussels Programme of Action adopted five years ago and which at that time raised the hope of our peoples — the inhabitants of our cities and countrysides — that they would be able finally to break the vicious circle of poverty.

Implementation of the Brussels Programme of Action has made it possible for several LDCs to make progress in several sectors. I am pleased that some have recorded clear progress despite an extremely difficult international economic context, as Mr. Malloch Brown has acknowledged. We are pleased

by the progress, specifically in the fields of health, education and infrastructure creation. Social indicators such as gender equality have improved, even though they remain among the lowest in the world.

As for macroeconomic results, LDCs have increased their average annual gross domestic product growth rate compared to the past, even though this is far below the overall goal of 7 per cent set for our countries by the Brussels Programme of Action. Inflation was held in check in most cases, and the same was true for public deficits, owing to appropriate financial and economic policies. Quantitative progress was also made concerning official development assistance. In addition, as members know, there have been many proposals to cancel the debt of certain LDCs, including steps recently taken at the Group of Eight summit held at Gleneagles, Scotland, in 2005.

We welcome the fact that several of our partners are making great efforts to support us in the implementation of the Brussels Action Programme. On behalf of the group of Least Developed Countries, I would like to express our sincere appreciation.

It is clear that progress has been made here and there, but overall implementation of the Programme of Action has not produced the results expected. That state of affairs gave rise to the comments at the 2006 substantive session of the Economic and Social Council, where it was observed that the Programme of Action had shown a very low rate of implementation since its adoption. Many LDCs continue to face the same difficulties as those that existed at the time of the adoption of the Programme of Action in 2001.

The terms of trade for the main exports of the LDCs continue to deteriorate. In certain areas where our exports are already in jeopardy because of the deterioration of the terms of trade, our economies are victims of asymmetries in the multilateral trading system, owing to practices of certain developed countries which are contrary to accepted international trade practices. I am thinking in particular of cotton. As you know, some partner countries of the LDCs greatly subsidize cotton production in their own countries. Those subsidies have dramatic — I emphasize dramatic — impacts in our countries and contribute to the worsening of poverty.

International trade should drive development, as Professor Stiglitz has stressed. Instead, it contributes to the weakening of LDC capacity to generate resources, resulting in the non-sustainability and non-viability of our countries debts. Our urgent and exceptional needs for financing have thus increased and we can no longer meet those needs by relying on our own capacity to mobilize financing. That seriously jeopardizes the putting in place of basic infrastructure, while in so difficult an environment good governance and respect for fundamental rights and freedoms are constantly at risk.

The deep conviction of the LDCs is that democracy has no future, that there is no prospect for democracy in our countries unless it is concomitant with sustained economic growth. I repeat — we are deeply convinced that there is no prospect, no future for democracy in our countries if it does not go hand in hand with sustained economic development.

This meeting must enable us to give fresh momentum to the implementation of the Programme of Action, by identifying action that would enable us to bring about rapid and concrete results, in order to reach the agreed goals within the prescribed time limits. In that connection, the LDCs have already embarked on their own on the task of identifying the difficulties linked to the implementation of the Programme of Action. They have reached conclusions that they have examined together with their development partners, in order to arrive at appropriate solutions.

We are gratified that the spirit of mutual consultation and indeed collaboration exists in the context of international solidarity and cooperation. I can assure you that the LDCs are aware that, if their action is to be effective and lasting, they must untiringly continue to make strides in the areas of democracy, good governance, respect for the rule of law, the fight against corruption, the building of peace and domestic security and the reform and strengthening of their institutions.

I would like to take this opportunity to remind the international community that the LDCs are resolved to play a leadership role on the basis of a shared vision to lead their countries towards the implementation of the Development Goals — in particular, through regional integration strategies. However, those efforts require the creation of an environment conducive to the strengthening of our production capacities in order for us to become more competitive, and to stimulate the sustained growth of our economies.

To that end, it is crucial for all of the actors in the international community to join their efforts to reduce the strong dependence of the LDC economies on the cost of commodities on the international market. We must seek to diversify their export products, seek external financing and mobilize domestic resources through savings and national investments.

We will all have to work so that the results we obtain have a direct impact on the eradication of poverty — that stubborn, recurring reality that persists within the LDCs.

Thought should accordingly be given, among our methods of action, to the establishment of a more appropriate evaluation mechanism so that we can quantify our efforts — the efforts of each and all of us, year after year.

I have the pleasure to state that the goals set out in the Brussels Programme of Action are the Millennium Development Goals — those that are specific to LDCs. For that reason I would like to invite our development partners to truly, and better than in the past, support our LDCs in achieving those goals. Therefore, the LDCs invite the Secretary-General — and we welcome his untiring efforts thus far, and would like his Special Representative to convey our thanks to him — to monitor, on the ground, the implementation of the Brussels Programme of Action so that we can attain the agreed goals within the prescribed time frame.

I cannot conclude my statement without urging us all to embark on concerted action, with all stakeholders involved, in the implementation of the Brussels Programme of Action, in a spirit of active solidarity, keenly aware of the historic and human responsibility that is ours at this crucial stage in the development of the least developed countries.

Long live solidarity among the least developed countries. Long live the United Nations. Long live international cooperation in the service of development.

The President: The Assembly will now hear an address by His Excellency Mr. Maumoon Abdul Gayoom, President of the Republic of Maldives.

President Abdul Gayoom: First, I apologize for my voice this morning, which is not pleasant. Having just arrived in New York from the Caribbean, I am not sure whether I can truthfully say that what I have is a cold. Having said that, let me turn to the issue at hand.

(*spoke in Arabic*)

As this is the first time that I am addressing this Assembly, let me congratulate you, Madam, on your election to preside over the General Assembly at its sixty-first session. There can be no doubt that your election to this high-level post is due to your broad experience in international affairs. I can assure you that our delegation will work with you unstintingly so that you may carry our your important mission successfully.

(*spoke in English*)

The goal of the Brussels Programme of Action, which was adopted six years ago, was to advance the social and economic development of the poorest and weakest segment of the international community. In the time since, the progress made has been very slow. Despite some achievements, much remains unfulfilled.

I would like to note the tireless efforts of His Excellency Mr. Boni Yayi, President of the Republic of Benin, as Chairman of the group of Least Developed Countries, and those of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Mr. Anwarul K. Chowdhury, in pursuing the implementation of the Brussels Programme of Action.

While the national actions of the least developed countries (LDCs) themselves must be geared towards achieving the goals of the Programme of Action, they constitute only half of the story. The other half requires the realization of the support pledged by the donor community to ensure continuous development of the LDCs. I regret to say that, often, certain realities are hidden behind a veil of excuses for not letting such support flow in the direction of those desperately in need of it. That is to say, while the LDCs are striving to advance their development by exhausting the domestic resources that they mobilize, it is often charged by the donor community that adequate domestic effort has not been made. That is not always the case.

Low per capita income, poor public finance infrastructure and the absence of capital accumulation all contribute to the domestic resource gap. Therefore, continued donor support is crucial for the implementation of the Programme of Action.

In 2008, my country will embark upon its smooth transition period. In 2011, we will graduate from the list of the least developed countries. Despite significant obstacles to development, the Maldives has been able to achieve much by supplementing domestic effort with donor assistance.

The Maldives has already attained many of the Millennium Development Goals. Extreme poverty has been halved and universal primary education has been achieved. As for the targets on reducing child mortality, attaining greater gender equality and improving maternal health, I am pleased to say that the Maldives is on target to achieving those goals as well.

In that regard, the Maldives has come a long way towards realizing the guiding principle that only positive concrete processes and outcomes can sustain public confidence in the development partnership between LDCs and their development partners.

However, we are still a small and vulnerable economy with a fragile environment. Our supply side constraints persist due to limited opportunities to expand our domestic markets. Increased aid is necessary, but that is not sufficient. Rapid growth in trade and increased market access are crucial for our sustainable economic development. Any failure of the current round of trade negotiations would inevitably undermine the backbone of the Brussels Programme of Action by crippling the possibilities of accelerated LDC growth in terms of enhanced world trade and global financial and investment flows.

The list of the LDCs keeps growing. With the high speed of globalization, the gap between the North and the South is ever increasing. Can the rich afford to help the poor? The answer is incredibly simple. As Professor Jeffrey Sachs, the author of *The End of Poverty* puts it, the question is not whether the rich can afford to help the poor, but whether they can afford not to.

I firmly believe that there is no better time than now to redeem the commitments laid down in the Brussels Programme of Action.

The President: I now give the floor to His Excellency Mr. Tuilaepa Sailele Malielegaoi, Prime Minister, Minister for Foreign Affairs and Minister for Finance of the Independent State of Samoa.

Mr. Malielegaoi (Samoa): Samoa warmly congratulates you, Madam, on the assumption of the presidency of the Assembly at its sixty-first session, and of this High-level Meeting to review the implementation of the Brussels Programme of Action for the least developed countries. I would also like to pay tribute to your predecessor as President, His Excellency Mr. Jan Eliasson, for his sterling leadership of the sixtieth session.

Our gathering here today illustrates our collective commitment to address the plight of the least developed countries (LDCs), to lift them out of poverty and to assist in their sustainable development efforts. At this midterm review, it is a time for all of us to critically reflect on how we have progressed in our national, regional and international efforts to shift our countries out of poverty and to be active players in this era of globalization. It is also incumbent upon us to identify remaining challenges to the implementation of the Brussels Programme of Action and to formulate appropriate recommendations to achieve the goals and objectives of the plan.

Samoa has consistently been a part of this review process since 2000, through the submission of its annual reports and participation in regional reviews and ministerial high-level consultations. At this juncture, I would like to thank the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States for coordinating global overviews to track progress in where we are in the implementation of the plan.

It is unfortunate to note that at the end of the review, it is clear that while much progress has been achieved by many LDCs in various areas of the seven commitments of the plan, stagnation is still evident among most of the LDCs. Many challenges remain, some of them presenting formidable undertakings for a number of LDCs.

We welcome in that regard the elaboration of the Cotonou Strategy for the Further Implementation of the Brussels Programme of Action, not only because the Strategy provides an analytical snapshot of the current status of achievements in LDCs, but, most important, because it identifies the remaining challenges and recommends actions to be taken by LDCs in collaboration with development partners.

On behalf of my Government and the people of Samoa, I would like to acknowledge with appreciation the contributions of our traditional development

partners. I am pleased to say that in the case of my country, the partnerships are genuine and needs-focused, actively executed towards national ownership and managed well and in a timely manner in order to achieve aid effectiveness. It is also an integrated participatory process that harnesses the strengths of non-governmental organizations, and in particular the private sector, in all facets of development planning. As a least developed country, Samoa is determined to meet the remaining challenges, secure in the knowledge that our partners are with us all the way to provide support whenever needed.

As members are aware, Samoa has been considered for graduation from the list of LDCs. While that may be a positive reflection of our endeavours to improve the lives of our people, we are concerned that it may be pre-nature and would undermine our achievements to date. The data before the Economic and Social Council indicate that my country has performed well in two of the LDC graduation criteria, namely gross national income and the human assets index. However, the data also show that Samoa's performance under the economic vulnerability index remains poor and that it is one of the most economically vulnerable countries in the world. The United Nations Development Advisory Team, in its vulnerability profile report on Samoa to the Committee for Development Policy of the Economic and Social Council clearly mentions this, and the Committee for Development Policy itself acknowledges it. Moreover, General Assembly resolution 59/209, on the smooth transition strategy, states that graduating from the least developed countries should not result in a disruption of development plans, programmes and projects.

It is therefore imperative, in our view, that careful consideration be given to the areas of vulnerability to ensure that the sustainability and robustness of our modest achievement, consolidated over the years, are able to withstand the impacts of external shocks. I would like to reiterate, therefore, our request for the General Assembly to favourably consider the deferment of Samoa's graduation from the list of LDCs until Samoa's vulnerability profile meets the threshold level of the economic vulnerability index.

Samoa cannot overemphasize the double disadvantage of being a least developed country as a well as a very small island developing State; the impact of any adverse event is felt throughout the country. Every year, we endure cyclones or floods. Our dependence on imports, our single-product export concentration and our limited industries and overseas markets are well known. Our structural vulnerability will continuously generate challenges that have systemic effects on our economy. External shocks, including the current oil price hike, resound throughout our country and impact investment and infrastructural development — indeed, the daily lives of our people.

Samoa is dependent on a few sources of income such as remittances, agriculture, fisheries, tourism, services and an infinitesimal manufacturing sector. Samoa is extremely vulnerable to climate change. We have experienced 16 cyclones in the past 25 years. The resulting immediate effects include powerful economic and social shocks on the agricultural and export sectors, tourism, food security, property and infrastructure that are still felt years after any cyclone.

Those vulnerabilities and challenges notwithstanding, our modest achievements to date are primarily a result of the stringent utilization of assistance that comes to Samoa by virtue of its LDC status and through prudent planning and people-centred financial and economic policies. Largely through our LDC status, Samoa has been fortunate enough to participate in many regional and international consultations and meetings. Our LDC status has also afforded us many training programmes for building and strengthening capacity. Our financial contributions to many international and regional organizations are also affordable to us only because of our LDC status. Loans at concessionary and competitive rates are granted in recognition of that fact.

Samoa's progress and relative success to date belie the extent of our country's true vulnerability to external factors beyond our control, due to dependence on tourism and remittances. The question of graduation clearly underscores the island paradox that we now find ourselves in.

I would like to assure Members of the United Nations that it is not our intention to challenge the graduation criteria. Nor do we challenge the proposal that my country graduate. Rather, I request the General Assembly to look at the reality of a least developed country and a very small island developing State, and to carefully consider the areas of vulnerability so that our modest development progress thus far will not be reversed. Indeed, economic catastrophes following devastating cyclones and man-made disasters beyond

our control are realities of our times that hardly require further justification.

I appeal to Member States' sense of pragmatism and logic to review the graduation rule to make performance on the economic vulnerability index one of the key criteria to be met before graduation from the LDC. Accordingly, on behalf of my Government and the people of Samoa, I request that the graduation of Samoa from the list of LDCs be reconsidered until the issue of economic vulnerability is included as one of the key criteria to be met.

The President: I now give the floor to His Excellency Mr. Lyonpo Sangay Ngedup, Prime Minister and Chairman of the Council of Ministers of the Kingdom of Bhutan.

Mr. Ngedup (Bhutan): Please accept my delegation's warmest felicitations, Madam, upon your election to the high office of president of the sixty-first session of the General Assembly.

My delegation welcomes the midterm review of the Brussels Programme of Action for the Least Developed Countries (LDCs). There is no denying that progress in the implementation of the Programme of Action has been unsatisfactory so far, unless greater efforts are exerted, the prospect of realizing its goals and objectives by the target year of 2013 will be beyond reach. It is, therefore, our sincere hope that the review will engender renewed commitment and decisive action by all stakeholders for the remaining five years of the Programme period.

My delegation welcomes the increase in official development assistance (ODA) over the past few years. However, significant portions of it are concentrated in a few countries, and in real terms, ODA has declined in almost half of the LDCs. ODA is a lifeline for LDCs, and for countries like mine constitutes the primary resource for development. We appeal to all countries to deliver on their aid commitment of 0.7 per cent of gross national income and to allocate 0.15 to 0.20 per cent gross national income to the LDCs. This is a just appeal, as LDCs make up more than one third of the States Members of the United Nations. We commend countries that have fulfilled their ODA commitments under the Monterrey Consensus, which was reaffirmed at the 2005 World Summit, and we urge others to do so.

My delegation welcomes the 2005 Paris Declaration on Aid Effectiveness, which places recipient countries at the centre of development assistance. It is imperative that interventions be country-driven and ODA-untied for effective utilization.

Similarly, we welcome the Secretary-General's report on resource mobilization in the context of the Brussels Programme of Action, which highlights the need to strengthen country ownership and genuine partnership between donor and recipient countries. The Cotonou Strategy represents an effort towards ownership and partnership, and it is our hope that the Strategy will be fully supported. Among the concerns highlighted by the least developed countries (LDCs) during the course of preparations for the midterm review is the emphasis by development partners on the Millennium Development Goals (MDGs). The MDGs, notwithstanding their importance, have overshadowed the commitments to the Brussels Programme of Action insofar as resource commitments at the programme level are concerned. My delegation believes that the Programme of Action and the MDGs are compatible and complementary, and it requests development partners to take a similar view and accord equal treatment.

We join others in welcoming the agreement reached at the Hong Kong World Trade Organization (WTO) Ministerial Meeting on duty-free and quota-free market access for all products originating from LDCs by 2008. That is a significant measure that should have far-reaching benefits for LDCs.

Bhutan is fully committed to the Programme of Action and is making concerted efforts towards its implementation. The Royal Government has integrated the Programme's goals and objectives into its development plans and long-term strategies. The seven broad commitments highlighted in the Programme are in consonance with our development philosophy of "gross national happiness". That philosophy places people at the centre of development and strives to promote good governance, equitable socio-economic growth, environmental conservation and spiritual and cultural growth.

Concrete steps have been taken to enhance good governance in the country. Recently, an extensive review entitled "Good governance plus" was carried out, resulting in over 200 recommendations that are

currently being implemented. As a result, future five-year development plans will see significant planning and fiscal management reforms. Our plans will be MDG-based and therefore result-oriented. It was indeed a proud moment for us in Bhutan when our efforts towards good governance were recognized with the Asia-Pacific best country practice in aid management award during a recent workshop entitled "From Paris to Practice", held at Bangkok. More significantly, Bhutan is poised for a historic political change in 2008, when parliamentary democracy will be introduced.

Our country's economy continues to grow at an average annual rate of 6 to 7 per cent. We are judiciously harnessing the one renewable energy resource that the country has in abundance: hydropower is today our main source of revenue. The private sector in the country is being vigorously promoted as the engine of growth. Many enabling policy instruments have been adopted, and we have made significant progress in our negotiations for accession to the WTO.

We have ensured that our economic growth is not achieved at the cost of the natural environment, to whose protection we accord high priority. Our ecological footprint is small, and policies and laws are in place to ensure that it remains that way. At the same time, growth has not come at the expense of the social sector, which continues to receive the largest share of our annual budget. Last year, our achievement in environmental conservation was recognized by the United Nations Environment Programme Champions of the Earth Award for 2005, which was conferred on His Majesty the King and the people of Bhutan. Next month, the J. Paul Getty Conservation Leadership Award is also being awarded to His Majesty the King and the people of Bhutan. We appreciate the international community's recognition of our conservation efforts.

Our efforts are persistently challenged by the many constraints we face as an LDC. Lack of adequate and predictable funding to finance progress towards our development goals is the most serious one. We have been fortunate to receive the support and assistance of many bilateral and multilateral partners, and it is our hope that that will continue and be further enhanced in the future. As I mentioned earlier, Bhutan is in a critical political transition, and our success in that process will, to a large extent, depend on our ability to maintain and enhance current levels of socio-economic development.

My delegation would like to express our deep appreciation to all our development partners, both bilateral and multilateral, for the generous support they have provided to us. We take note of the valuable work that the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is doing to support the efforts of those disadvantaged groups of countries. We hope that this will continue through provision of increased resources to the Office.

In conclusion, I wish to emphasize that the need of the hour is not to search for new solutions. The need is to undertake the straight forward tasks of working together to fulfil existing commitments and of taking action on the ground. Over the course of our meeting in this affluent setting, we must not lose sight of the human tragedies unfolding every minute in the LDCs. Let us ensure that our deliberations today have a real and enduring impact on precious lives besieged by poverty and deprivation.

The President: The Assembly will now hear an address by His Excellency The Right Honourable Pakalitha Bethuel Mosisili, Prime Minister of the Kingdom of Lesotho.

Mr. Mosisili (Lesotho): At the outset, Madam, allow me to join previous speakers in congratulating you on your election to the presidency of this session. In the same breath, I wish to extend our compliments to your predecessor, His Excellency Mr. Jan Eliasson of Sweden, and to the Secretary-General, Mr. Kofi Annan, for a job well done.

Thirty-five years ago, when the group of least developed countries (LDCs) was first established, there were 24 countries classified as least developed. Today, the number has increased to 50. Perhaps this sharp increase indicates the failure of the international community to take urgent and effective action to arrest and reverse the deterioration in the socio-economic situation of the least developed countries and to revitalize their growth and development.

For their part, the least developed countries undertook to deepen the process of economic reform which they had begun about two decades ago, while their development partners undertook to make

available a significant and substantial aggregate increase in external support.

This High-level Meeting constitutes a unique opportunity for introspection, following commitments made in implementation of the outcomes of major United Nations summits and conferences in the economic, social and related fields, including the Third United Nations Conference on the Least Developed Countries. It is a fitting opportunity to consolidate the gains made in the past and to take stock of this collective journey by sharing our concerns and valuable insights.

In line with the theme for the midterm comprehensive global review — namely, the Programme of Action for the Least Developed Countries for the Decade 2001-2010: Redeeming the commitments — we aim to contribute to the debate by sharing with members the issues Lesotho considers critical to the current international effort to eradicate poverty.

The war on poverty and inequality is far from being won. Many developing countries, particularly the least developed countries, continue to be marginalized. We in Africa are at a crossroads and continue to register the highest number of poor people. Sub-Saharan Africa, home to 34 least developed countries, is the only region of the world where poverty has, in fact, deepened in recent years. Although 13 per cent of the world's population lives in Africa, the continent accounts for 28 per cent of world poverty.

For us in Lesotho, the single greatest obstacle to the development of our nation, and indeed to reaching the objectives of the Brussels Programme of Action and the Millennium Development Goals (MDGs), is the scourge of HIV/AIDS. We are overwhelmed by the high levels of morbidity and mortality, especially among people of working age. HIV/AIDS has emerged as a major threat to development, reversing all the gains that have been made and ushering in the new socio-economic phenomenon of orphans on an unprecedented scale.

Despite the foregoing, we wish to put on record that, with the cooperation that the Government of Lesotho is enjoying from Basotho across the spectrum, as well as the support from our development partners, we are convinced that we will win the war against this pandemic.

My delegation reiterates the call for increased support to the New Partnership for Africa's Development (NEPAD).

We commend the efforts of the donor countries that have achieved the 0.7 and 0.2 per cent target of gross national income for least developed countries as official development assistance (ODA). We commend also the initiatives taken by some of those countries to set up timetables for fulfilling their ODA targets. However, we wish to once again reiterate our appeal to the developed countries to abide by their commitments to help developing countries in all relevant areas.

In this context, special mention must be made of, and indeed, commendation given to, the United States Government's initiatives, such as the African Growth and Opportunities Act and the Millennium Challenge Corporation. Clearly, without new inflows of external resources, development in Africa will forever remain stunted and stagnating.

We also wish to express our sincere appreciation for all initiatives taken recently to address the needs of developing countries, especially the debt cancellation extended by the Group of Eight to the highly indebted poor countries. However, we appeal for debt cancellation for all least developed countries in order to enable them to redirect their meagre resources into their economies. The fact that countries such as Lesotho have been able to service their debts efficiently and therefore do not fall within the category of highly indebted poor countries cannot and must not be used to their disadvantage. Real economic growth can be realized only if we all benefit from debt cancellation.

Both the MDGs and the Brussels Programme of Action for the Least Developed Countries are intertwined. Indeed, most of the MDG targets, such as poverty eradication, improved health and basic education, are also embedded in the Brussels Programme of Action. We are therefore deeply concerned that the 2005 Millennium Review Summit Outcome Document did not focus on progress relating to the achievement of the MDGs or issues of development, which, in our view, are the main concerns for Africa and for the least developed countries in particular.

In conclusion, it is our strong conviction that, for the least developed countries to eradicate poverty, the international community must give the development

agenda the attention it deserves. If their special needs are not addressed by all concerned, the least developed countries will not be able to achieve the objectives of the Brussels Programme of Action, or the MDGs, by 2015.

The President: The Assembly will now hear an address by His Excellency Mr. Didjob Divungi Di Ndingi, Vice-President of the Gabonese Republic.

Mr. Divungi Di Ndingi (Gabon) (*spoke in French*): It is a tremendous honour and a genuine pleasure for me to address the Assembly at this High-level Meeting on the midterm review of the Programme of Action for the Least Developed Countries for the Decade 2001-2010.

However, Madam President, before I go on, allow me once again, on behalf of His Excellency El Hadj Omar Bongo Ondimba, President of the Gabonese Republic, to commend you on your well-deserved election to the presidency of the General Assembly at its sixty-first session.

I would like also to take this opportunity to pay a well-earned tribute to Secretary-General Kofi Annan and to convey to him our gratitude for his resolute efforts.

The adoption of the Millennium Development Goals, emanating from the Millennium Declaration, was a milestone in the history of our Organization. For the first time, we committed ourselves to addressing on all fronts the issues of peace, development and human rights. Those Goals galvanized like never before people of goodwill concerned with meeting the needs of the world's poorest men, women and children.

Indeed, the urgent need to fight poverty worldwide, as well as the possibilities offered by the Millennium Development Goals, have become a real rallying point for a global partnership and the cornerstone of development strategies at the international and regional levels.

We all agreed on shared priorities with the aim of finding solutions to the many aspects of abject poverty, namely hunger, unemployment, disease, substandard housing, gender inequalities and environmental deterioration. The Governments of developed and developing countries have undertaken to provide the necessary resources and to implement appropriate policies in order to achieve those Goals. MDG 8 on development refers to the least developed countries, which led to the Brussels Declaration and Programme of Action for the Decade 2001-2010, which addresses the specific needs of those countries. The Declaration sets out the principles for integration of the least developed countries into the global economy while defining an approach to problems related to sustainable development, respect for human rights, democracy, the rule of law, good governance, gender equality, employment and capacity-building.

Since May 2001, when the Brussels Declaration was elaborated, progress has indeed been made by a number of countries and a number of regions, but, in most of the least developed countries, millions of people are sinking into poverty, particularly in sub-Saharan Africa. The vast majority of the population of the developing world still lacks basic sanitary facilities. Fewer than two thirds of children attend primary school. Women are far from achieving equality of representation at the highest levels of Government. One million children under the age of five die every year from diseases that could have been treated. Giving birth is still very dangerous and is attended by a high maternal mortality rate. The fight against such scourges as AIDS, malaria and tuberculosis is draining national economies.

Sub-Saharan Africa, which includes the largest number of least developed countries, remains the epicentre of that grim picture. Overall, we see a considerable lag there in the implementation of most of the Millennium Development Goals. Although Asia appears to be the region of the world enjoying the greatest progress, hundreds of millions of people continue to live in poverty there. In countries enjoying the most rapid growth, some non-monetary goals have not yet been achieved. Other regions of the world, particularly Latin America, the Middle East and North Africa, have had mixed performances. Progress has been weak or non-existent in the implementation of certain goals, and deep-rooted inequalities persist.

The midterm review of the Millennium Development Goals has highlighted weaknesses, often within our own countries, that hinder implementation. To be sure, the average 6 per cent growth in the least developed countries has not led to a reduction in poverty, which in many cases has even increased.

No single explanation applies to the success or failure of such an undertaking. For every goal, each region and country requires a painstaking analysis. At

the same time, four causes can generally be identified: bad governance marked by corruption and mediocre political and economic choices; a lack of respect for human rights in certain regions around the world; the trap of poverty, in which the economy does not allow the necessary investment; and stubborn pockets of poverty in certain countries.

The least developed countries are determined to take appropriate measures to follow up on the Brussels Programme of Action. The creation of focal points to implement the Programme of Action and the establishment by the Secretary-General of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States will clearly provide better coordination and follow-up to the Programme. Those countries can achieve the goals set out in the Brussels Declaration only if there are massive increases in public investment in capacity-building, mobilized national resources, and official development assistance. That effort will need to be maintained at the global, national and local levels until 2010.

The international community's commitment seems to be clear. Measures taken by the Group of 8 in Scotland with respect to debt cancellation for some of the poorest countries, along with the initiatives of certain countries with respect to innovative development financing sources, lead us to believe that the momentum has been set in motion. In that regard, there is a need for solidarity towards attaining just and sustainable development. We need in particular to avoid taking the easy way out by claiming that we can reduce official development assistance by cancelling the debt. Instead, we need here to reaffirm strongly and clearly the principle of additionality.

The participation here of Gabon, which is not a least developed country, demonstrates our solidarity and proves that, in many ways, we experience the same realities and share the same concerns.

The President: I now give the floor to His Excellency Mr. Thongloun Sisoulith, Deputy Prime Minister and Minister for Foreign Affairs of the Lao People's Democratic Republic.

Mr. Sisoulith (Lao People's Democratic Republic): Let me extend my warmest congratulations to you, Madam, on your election as President of the General Assembly at this important session. We trust that your skills in multilateral diplomacy will lead this High-level Meeting to a successful conclusion.

Our delegation thanks the Secretary-General for his annual progress report on the implementation of the Brussels Programme of Action for the least developed countries (LDCs). The report contains useful conclusions and recommendations.

We support the statement to be made by the representative of South Africa, Chairman of the Group of 77, and that made by the representative of Benin, Chairman of the LDCs Coordinating Bureau, which highlight major progress made and constraints faced by LDCs in the implementation of the Programme of Action, and suggest holistic approaches for its more effective follow-up.

We also share the concern of the developing countries over the lack of progress made in the implementation of the seven commitments of the Brussels Programme of Action, despite some accomplishments achieved by both the LDCs and their development partners in implementing the actions assigned to them in the Programme Of Action. The report indicates that the improvement in economic growth and human development in LDCs has been modest. The LDCs are finding it very difficult to live up to their commitments. In order to reverse those trends, therefore, the international community must take the necessary steps to provide the LDCs with the overdue pledged resources to allow them to fulfil the commitments set out in the Brussels Programme of Action and in the Millennium Development Goals.

The continuing support of the developed countries, the United Nations system and the international financial and trade institutions is of critical importance. That necessity was underlined in the 2005 World Summit Outcome, as well as in the General Assembly resolution to implement it. The declaration we are going to endorse at the end of this Meeting also reaffirms the validity of the Brussels Programme of Action commitments and calls for greater efforts to be undertaken by all stakeholders to implement them in a full, timely and effective manner.

The Lao People's Democratic Republic has spared no effort to translate its commitments into action. The Brussels Programme of Action was integrated into the 10-Year Socio-Economic Strategy 2001-2010, with emphasis on the promotion of rapid and sustained economic growth, poverty reduction and

environmental protection. The fifth Five-Year National Socio-Economic Development Plan 2001-2005 and associated annual plans were all considered to be the primary tools for implementing the Strategy.

Various measures have been taken to put those plans into practice. As a result, gross domestic product (GDP) has attained a steady increase averaging 6.3 per cent for the past five years. Overall investment rose steadily from 19.7 per cent in 2000 to around 26.6 per cent in 2005. GDP per capita improved by almost $500 for the same period and poverty decreased to 32 per cent in 2005 from 39 per cent in 1997.

To further its efforts to fight poverty and pursue sustainable development the Government of the Lao People's Democratic Republic launched in 2003 the National Growth and Poverty Eradication Strategy as a localized poverty reduction strategy paper. The objective of the Strategy is to sustain economic growth and alleviate poverty.

Furthermore, the recently adopted Sixth Five-Year Socio-economic Development Plan 2006-2010 constitutes a framework aimed, first and foremost, at fully and effectively implementing all the goals and targets of the National Growth and Poverty Eradication Strategy in pursuit of the vision of the country's graduating from the LDCs by 2020.

Despite the positive developments, there remains a lot more to be done by the Lao People's Democratic Republic towards the fulfilment of its international commitments. For the country to achieve further progress in the implementation of the foregoing strategies, greater coordinated financial and technical support is needed form the international community. We trust that those felt needs of the Lao People's Democratic Republic will continue to be met generously and unconditionally in the form of unconditional official development assistance.

The President: I now give the floor to His Excellency Mr. Sato Kilman, Deputy Prime Minister and Minister for Foreign Affairs of Vanuatu.

Mr. Kilman (Vanuatu): My Government welcomes the midterm review of the implementation of the Brussels Programme of Action for the Least Developed Countries (LDCs) for the Decade 2001-2010. The Programme of Action provides goals and targets, along with action-oriented commitments in seven critical areas, following a commitment from world leaders to promote development in the LDCs. Throughout this year, various preparatory meetings and consultations have been held, culminating in this High-level Meeting today.

At the halfway mark, implementation of the Brussels Programme of Action has been moderate. Our resolve in implementing measures needed to address the peculiar issues of LDCs, of which five are located in the Pacific Ocean, have continued to be hampered by several key challenges. I refer here in particular to the case of Vanuatu.

Vanuatu's performance in the implementation of the Brussels Programme of Action is a mixed one, with some progress in the implementation and achievement of agreed commitments and goals, while some are still yet to be realized. Already, it is obvious that some of those will not be achieved within the agreed time frame. Nevertheless, Vanuatu will continue to pursue them over the medium to long terms.

The Vanuatu economy is dualistic in nature, with a rural population of 80 per cent engaged in the informal subsistence sector and the remaining 20 per cent in the formal sector. Vanuatu has an economy which is small in terms of size, resources, market and national output. That smallness implies that its ability to compete internationally in the goods and services markets is limited and that the prospect of achieving high economic growth is unforeseeable in the near future.

The major contributing sectors to gross domestic product (GDP) are the agriculture sector and the services sector, with the services sector making the largest contribution of 73 per cent of total GDP. Agriculture, however, continues to be the mainstay of the economy, as the services sector relies, among other things, heavily on the agriculture sector and the simple fact that 80 per cent of the population survive via engagement in that sector.

The role of official development assistance and its impacts on GDP growth in Vanuatu are also fundamental and will continue to remain critical in order for Vanuatu to simultaneously address its development priorities and to advance progress in the pursuit of the achievement of the Brussels Programme of Action initiatives. In that regard, my Government therefore wishes to raise its concern in relation to the Committee for Development Policy's recommendation on Vanuatu's LDC graduation eligibility status. The

recommendation for graduation eligibility is one we consider to be premature.

Measuring one's eligibility status based on the major criteria of gross national income, the Human Assets Index and the economic vulnerability index, and making a recommendation based on the achievement of the income and assets indices, despite a very high economic vulnerability, especially in the case of Vanuatu, is highly inappropriate, as the gross national income factor is influenced directly by the economic vulnerability index and hence brings into question the sustainability of the aforementioned income threshold. That is particularly true for countries like Vanuatu, which, simply because of its geographical location on the Pacific rim of fire, remains highly vulnerable to natural disasters such as earthquakes, tsunamis, landslides and hurricanes, to mention but a few that occur on a regular basis in my country, and each of which could destroy the nation's economic mainstay and driver, the agriculture sector, in but a few hours or days.

In-depth analyses of the last eight years of economic performance shows a mere 0.69 per cent average real growth in gross domestic product — an economic growth rate far below the 7 per cent target stipulated in the Brussels Programme of Action. Therefore, to recommend that Vanuatu be made eligible for graduation from LDC status does not hold, as even though it may allegedly satisfy the first two criteria, it does not satisfy the vulnerability criteria simply because those vulnerabilities are "acts of god" and cannot be controlled or predicted with any degree of reasonable certainty.

Furthermore, the basis of the GDP per capita ratio supposedly measures the wealth of the nation, but that in itself is prone to errors. The inaccuracies that exist, first, in the data collection mechanisms, and hence the data itself, mean that this measurement cannot be pronounced with any reasonable degree of certainty. In addition, the uses of bivariate statistics to derive an end result do not give an entirely accurate picture, given that they do not explore in detail the relationship between the cause and effect factors of each of the two variables.

GDP per capita, for instance, is simply GDP by total population and assumes that each and every member of the population derives the same benefits as all the rest. As we all know, that is not true. In most countries in the world, including developed nations, approximately 20 per cent of the population contributes to paying 70 to 80 per cent of the taxes, and more often than not that same 20 per cent of the population derives 80 per cent of all the benefits and incomes. This clearly indicates that, within any given population, there are income disparities, and that means that to assume that GDP per capita measures the wealth of the nations is not a fair representation of the actual distribution of wealth. To further base one's recommendations on that one fact alone does not do justice to the nation that is requesting consideration of its views.

In the Vanuatu context, the agriculture sector contribution to the national GDP is a much fairer representation of rural incomes. Hence, dividing total income earned from the agriculture sector by the rural population gives rural income per capita, in 2005, at $263, which is very low as well as very volatile, due to the vulnerable profile of the country.

The use of gross national income as a measure of a nation's general economic welfare fails to highlight the problem of the high income inequality that persists between the urban and rural populations, as well as between highly paid expatriates and lowly paid ni-Vanuatu living in the urban areas. Therefore, my Government strongly believes that using an indicator such as the gross national income per capita conceals the hardship and difficulties that prevail in the rural communities and which one cannot see through reading numbers.

The impact of any decision on Vanuatu's LDC status will surely be felt greatly by the majority of the population whose everyday lives are dependent on subsistence agriculture. Additionally, though the services sector contributes the highest to the GDP, it experiences high leakages, as all service providers are foreign-owned, which results in the high profits made being repatriated overseas, with little investment of retained earnings in the domestic economy.

The gross national income factor does indicate the level of income available to the country. However, given the aforementioned undeniable facts, it is clear that there are income distribution problems that could either be structural or policy-based inefficiencies; hence, we recommend that, even if the country does meet the preconditions for graduation, it would be more appropriate to also analyse the distribution of those measures of status and to identify policy or

structural inefficiencies and to recommend remedial courses of action to assist the country, with a specific time frame for undertaking those reforms or adjustment programmes so that, when the country does graduate, it is able to sustain the conditions which triggered the changes in status.

One must also look at what is driving and sustaining the GDP growth rates and is thus a better reflection of the sustainability of the gross national income. More specifically, whether or not the growth is driven by domestic production, consumption and export growth, or whether the growth is triggered by such external factors as aid and foreign direct investment, they leave the country highly open to shocks caused by externalities.

Vanuatu's comparative advantage in terms of trade hinges mainly on a few low-value primary sector commodities, such as copra, cocoa, beef and kava, which have continued to show a progressive decline. On the other hand, Vanuatu depends highly on higher-value imports, most of which are manufactured items, resulting in rising trade deficits in the recent years. Factors that have contributed to that decline in the terms of trade include the effects of natural disasters, mainly cyclones; volatility in world market prices, the uncertainty of which in commodity prices often leads to discouragement and low productivity; price-fixing by the Vanuatu Commodities Marketing Board, despite movements in world commodity prices; and the European ban on kava.

Overall, Vanuatu's exports have been very unstable due to the effects of natural disasters and external economic shocks. The smallness of the economy implies that there is a limit to the country's ability to insulate itself from those economic shocks.

The Human Asset Index also looks only at the statistics, but does not actually look into issues of the quality of the education being provided. Simply looking at the statistics of secondary school enrolment and completion rates does not provide a real measure of the asset element, as one needs to look at the quality of the asset more than at the actual quantity of the asset in order to have a much better comprehension of the potential productivity of that particular human asset. Again, here the statistics are inaccurate, as the various reports that have been issued by international institutions — including this one — are inconsistent in their statements with respect to the level of literacy, which they place between 33 per cent and 99 per cent. Once again, forming conclusions based on mere statistics may be at best informative, but certainly not conclusive.

Issues of remoteness, instability in agricultural production capacities due to natural disasters and international price fluctuations, the instability in exports of goods and services, market access, statistical data inaccuracies and so forth are other areas on which I could expound further, but I believe that the message has been heard. Given the aforementioned issues, the Government of Vanuatu strongly feels that Vanuatu is not ready to graduate from its LDC status. Therefore, it is recommended that Vanuatu be immediately removed from the list of countries eligible for graduation.

In conclusion, I wish to bring to the Assembly's attention the fact that while the Committee for Development Policy does have the mandate to make those recommendations, as the change in one's status also raises questions and/or issues of potential fundamental changes and adjustments that may be required to a nation's policies, the allocation of a five-minute time frame within which to plead one's case before the plenary is wholly inappropriate. It is perhaps a matter that requires some consideration and attention, as I do not think that this is a reflection or an implication of the importance that this institution places on the LDC issue.

Finally, I would like to express my Government's appreciation to Benin, as the Chairman of the group of least developed countries, and to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, in particular Mr. Chowdhury, for their unwavering support for the LDCs.

The President (*spoke in Arabic*): I now give the floor to His Excellency Mr. Ahmed Aboul Gheit, Minister for Foreign Affairs of the Arab Republic of Egypt, who will speak on behalf of the African Group.

Mr. Aboul Gheit (Egypt) (*spoke in Arabic*): It gives me pleasure to address the General Assembly today not only on behalf of Egypt, but also on behalf of the African Group at the United Nations, which Egypt has the honour to preside over this month. Egypt has always been fully cognizant of the deep ties that unite it with the African continent.

Today's meeting, on the occasion of the midterm comprehensive review of the Programme of Action for the Least Developed Countries (LDCs) provides a good opportunity to highlight the progress achieved in implementing the decisions included in the Programme and to consider the genuine issues and challenges facing the implementation of those decisions. Undoubtedly, this review process should give new impetus to the efficient and coherent international work aimed at assisting that group of countries in achieving sustainable development and in the eradication of poverty for its peoples. Egypt believes that the international community should render all possible assistance to those countries in order to counter their increased marginalization in the global economy and to help them benefit from contemporary scientific and economic capabilities and to capitalize on the development opportunities of globalization, while avoiding its negative repercussions on their economies.

Eradicating poverty and achieving sustainable development for all is a joint responsibility of the countries of the North and South alike on an equal basis. That requires us all to strive during the remaining period to achieve the effective implementation of the Programme of Action by 2010 through serious work and a genuine partnership to support LDCs. That partnership should be based on international solidarity and the principles enshrined in the United Nations Charter, the Millennium Declaration, and the goals and commitments agreed at the 2005 World Summit. Prominent among those are national ownership of development plans and strategies, and the granting of assistance in support of the development priorities determined by each country in its quest to achieve sustainable development.

The reports and documents issued by the United Nations and the Cotonou Strategy adopted in June confirm the tremendous challenges that face least developed countries. Those challenges lie in the lack of resources to finance infrastructure projects and the primary service sectors of education and health, in addition to the need for environment-suitable technology transfers, while ensuring the sustainability of the development process in LDCs by swiftly integrating them into the international economy and terminating all tariff and non-tariff barriers that prevent the access of their exports to the markets of developed countries, in addition to assisting LDCs that are not members of the World Trade Organization to join it as soon as possible.

Undoubtedly, the time will soon come when the ongoing non-implementation of United Nations resolutions on the ground will be obsolete and unacceptable. Those resolutions must not become a mere moral obligation that may be either implemented or mostly ignored and bypassed.

Egypt today renews its commitment to supporting the least developed countries in accomplishing their development goals. In recent years, Egypt has offered a wide variety of technical assistance to those countries in the form of programmes and training courses, bilaterally or through trilateral cooperation, with the aim of supporting capacity-building in LDCs in various fields, including education, health, agriculture, information and communication technologies, and other fields, consistent with the outcome of the Millennium Summit. Egypt will remain committed to providing all it can to our brothers in those countries out of our solid belief in the principle of solidarity between the countries of the South and in the importance of international cooperation in achieving development and attaining security and stability at the national, regional and international levels, and in particular in our African continent, which is home to the largest number of least developed countries.

Egypt is very eager to use its membership of the Peacebuilding Commission of the United Nations to ensure that the Commission focuses special attention on peace and security in the least developing countries and to assist those countries in creating an environment conducive to proceeding with the burdens of long-term peacebuilding in a manner that avoids the repeated outbreak of armed conflict, while propelling the wheels of development onward in all fields.

Egypt has also used its membership in the subregional arrangements in Africa, in particular the Common Market for Eastern and Southern Africa (COMESA) — which comprises 13 of the least developed countries — to enhance the volume of commerce between COMESA members. The free-trade zone between COMESA members has provided an opportunity for the exports of the least developed members of COMESA to gain access to the markets of developing countries in COMESA, including Egypt. It has also provided job opportunities for young people and promoted the success of numerous small and

medium-sized enterprises, which has helped to improve the economic and living conditions of the populations of the LDCs. It is our hope and resolve to continue to work for further progress and the improvement of those living conditions.

The President: I now give the floor to Her Excellency Ms. Tarja Filatov, Minister of Labour of Finland, who will speak on behalf of the European Union.

Ms. Filatov (Finland): I am honoured to speak on behalf of the European Union on this very important issue. The acceding countries Bulgaria and Romania; the candidate countries Turkey, Croatia and the former Yugoslav Republic of Macedonia; the countries of the Stabilisation and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro and Serbia; and the European Free Trade Association country Iceland, member of the European Economic Area, as well as the Republic of Moldova and Ukraine align themselves with this statement.

The European Union thanks the Secretary-General for his report on the implementation of the Brussels Programme of Action up to 2006 and other materials produced for this midterm comprehensive global review.

The European Union, as a major development partner of the least developed countries (LDCs), takes this opportunity to reaffirm its full commitment to the implementation of the Brussels Programme of Action as a part of its wider commitment to the global development agenda. The Brussels Programme of Action is a crucial element in the global strategy to improve the situation of the LDCs, and the European Union's participation in this High-level Meeting is a reaffirmation of its strong partnership with the LDCs.

Respect for human rights, including economic, social and cultural rights, the rule of law, solid democratic institutions responsive to the needs of the people, good governance, sound economic policies and improved infrastructure are the bases for sustainable economic growth, poverty eradication and employment creation. As recognized in the final Outcome of the 2005 World Summit, development, peace and security and human rights are interlinked and mutually reinforcing.

We welcome the fact that, beginning in 2001, economic growth in the LDCs as a group has almost reached the 7 per cent target. That has been a result of LDC Governments' courageous macroeconomic reforms and consequent reduced fiscal deficits, lower inflation and reduced external imbalances. Macroeconomic stabilization has been successfully accompanied by such structural reforms as privatization, the easing of regulations on businesses, and trade liberalization.

Trade can be a strong catalyst for economic growth and poverty reduction in developing countries. It should be integrated into the national development plans, such as poverty reduction strategy papers, of all LDCs. Therefore, trade is one central element in the international agenda to support the Millennium Development Goals, the World Summit Outcome and the Brussels Programme of Action. Market access alone is not enough to improve the poorest countries' successful integration into world trade. That will require increased development financing for trade and productive capacities, combined with domestic reforms and improved international trade rules.

The cost of a definitive breakdown of the Doha Development Agenda negotiations would be extremely high, especially for the most vulnerable of the developing countries. What we now risk losing is far more significant than just the issues on which the negotiations have foundered. Completing the Doha Development Agenda would substantially help LDCs in their objective to integrate better into the world economy. The European Union, for its part, will do its utmost to secure an early resumption of negotiations and calls on its trading partners, in particular the major players, to make the necessary moves to enable negotiations to restart and reach a positive outcome.

It is important that improved market access for LDCs be supported by appropriate trade-related technical assistance. The European Union strongly supports such initiatives as Aid for Trade. In that context, it underlines the importance of contributing to the Enhanced Integrated Framework. Such initiatives should not lose their impetus with the current situation of the negotiations on the Doha Development Agenda, and the international community should support their rapid execution.

In December 2005, the European Union member States committed themselves, within the framework of their future development assistance commitments, to strive to increase their spending on trade-related

assistance to €1 billion per year by 2010. That would bring the contribution of the European Union as a whole, including the Community contribution, to €2 billion per year by 2010. The economic partnership agreements under negotiation complement our trade-related technical assistance.

Strengthening and expanding the productive capacities and infrastructure of the LDCs is necessary for regional integration, increased internal and international trade, and economic growth and development. To meet those challenges, the European Union has, for example, adopted the Strategy for Africa, which includes an initiative on a European Union-Africa partnership for infrastructure.

Despite good overall economic growth, poverty and deprivation remain high in most of the LDCs. That underlines the need to support improved overall governance, the fight against corruption, the rule of law and more equal social development in the LDCs. Economic wealth and development should also benefit the most vulnerable parts of the population. To that end, education, health and gender-equality programmes are vital elements of our Programme of Action in order to achieve better functioning, more equal and environmentally more sustainable economies in the LDCs. That is especially important in those countries where all of society is jeopardized by such threats as HIV/AIDS.

In education, some figures are really encouraging, although improvements in the quality of education have not kept pace with increased enrolment. It is still alarming that, in 2004, almost 15 per cent of girls living in LDCs were not even enrolled in primary education. That is why the European Union remains very concerned about the slow progress made in promoting gender equality. The LDCs should fully mainstream gender into all of their development plans.

Reducing vulnerabilities and managing the environment sustainably in the LDCs is at the heart of the Brussels Programme of Action, as well as of the broader development agenda, particularly in our endeavour to fully implement the commitments of the World Summit on Sustainable Development.

We note with satisfaction the increase in official development assistance (ODA) from donor countries to the LDCs. In 2001, the year when the Brussels Programme of Action was adopted, the yearly ODA to LDCs was approximately €10 billion. By 2004, that amount had almost doubled to €19 billion, and if the trend continues, ODA to LDCs will double again to over €40 billion by the year 2010. The European Union has put itself in the forefront of that evolution through the decisions of the European Councils of Barcelona and Brussels to considerably increase its ODA by 2010 and beyond.

The European Union is a supporter and financier of the Heavily Indebted Poor Countries (HIPC) Initiative and welcomes and supports the Multilateral Debt Relief Initiative to cancel 100 per cent of the outstanding debt of eligible HIPC countries. The European Union also underlines the importance of smooth transition from the list of LDCs and is ready to help the countries which have graduated from the list.

The European Union is very attentive to the quality of aid. Major commitments to a more coordinated and complementary development policy were made by the larger development community in the Paris Declaration on Aid Effectiveness, which was adopted in March 2005 and to which we are fully committed. The European Consensus for Development sets the principles for increased aid effectiveness and coherence.

As expressed in the European Consensus, it is necessary to support and strengthen credible institutions not only at the central and regional levels, but also at the local level. In that context, the principle of subsidiarity has to be mentioned, together with the need for effective policies on decentralization and accountability, capacity development and empowerment of civil society, especially at the grass-roots level. Progress in all those aspects will result in bringing about more equity and equality of opportunity.

To conclude, we can clearly state that poverty is not invincible. Relatively new positive trends, such as the improvement of the situation in many LDCs and the graduation of Cape Verde and the Maldives from the list of LDCs, must keep us from the temptation of resignation. Those trends reflect the first results of the Brussels Programme of Action. We should continue its firm implementation until 2010. The goals are demanding, but with growing resources and even more attention from every partner, we should be able to realize challenges during the remaining five years of the Programme of Action.

The President: I now give the floor to His Excellency Mr. Jean Asselborn, Deputy Prime Minister

and Minister for Foreign Affairs and Immigration of Luxembourg.

Mr. Asselborn (Luxembourg) *(spoke in French)*: Allow me at the outset to congratulate you, Madam, on your election and to wish you much luck and courage in the very important and interesting task before you.

The commitment of the European Union and its member States to help the least developed countries (LDCs) has already been demonstrated. Indeed, it was under European Union auspices that the Third United Nations Conference on the Least Developed Countries was held in Brussels from 14 to 20 May 2001. The eradication of poverty and sustainable development were identified at the time as the priorities of the Brussels Programme of Action, the implementation of which we are reviewing today, halfway through its period of implementation from 2001 to 2010.

It is within the spirit of resolute and long-standing European commitment that I should also like to endorse the statement made by the Finnish representative on behalf of the European Union.

Mr. Butagira (Uganda), Vice-President, took the Chair.

It is even more pleasant for me to participate in this most useful and necessary midterm review given that the Government of Luxembourg has pursued a proactive and consistent development cooperation policy. That policy, a cornerstone of our foreign policy, has two particular features — one qualitative, the other quantitative. Since 2000, Luxembourg has been among the far too few industrialized to abide by their international commitment to devoting at least 0.7 per cent of their gross national income to official development assistance (ODA).

In fact, Luxembourg has done better. In terms of percentage of gross national income, its assistance to developing countries stood at 0.82 per cent in 2005 and will continue to rise to 1 per cent in the years to come. In 2004, 49 per cent of Luxembourg's assistance to developing countries was earmarked for LDCs, and that, too, will continue to increase as we pursue our policy of focusing on that category.

In addition to the purely quantitative aspect, Luxembourg has held an ongoing dialogue with all its developing partners, the LDCs in particular. Luxembourg's cooperation identifies its interventions on the basis of that dialogue and in accordance with the priorities identified by the partner Governments in their national development strategies.

Partnership is not an empty word to us. We are convinced that only relations on an equal footing between development partners can possibly create the type of understanding and respect that is critical if we are effectively to address the problems of the poorest populations together. We must identify projects and programmes with a strong sense of ownership by the target communities. That is what guarantees truly sustainable development.

Allow me also to thank the Secretary-General for the report he has prepared on the implementation of the May 2001 Brussels Programme of Action. While, on the one hand, it should come as no surprise that, halfway down the road, we have not yet attained all the objectives, we are, on the other, sobered by the warning that a number of LDCs are not on target for success by 2010. Additional efforts by the LDCs and the international community alike are indispensable if we truly wish to rise to the commitments that we undertook in 2001.

In Brussels, we were wise enough to look at the issue from the long-term perspective as we sought ambitious progress for the LDCs. That long-term perspective should not penalize the poorest populations, given that lofty ambitions tend to fade with time. This midterm review is therefore a timely opportunity to restore momentum. The progress made over the past five years should encourage us.

The total amounts earmarked for ODA reached unprecedented levels in 2005. While part of the increase was attributable to contributions to the victims of the Indian Ocean tsunami and the alleviation of Iraq's debt, we must not forget that in May 2005, under the Luxembourg presidency and at the initiative of my colleague the Minister for Cooperation — acting consistently with his predecessors in charge of Luxembourg's cooperation policy — the States members of the European Union decided to raise assistance to developing countries to 0.56 per cent of gross national income in 2010 and to 0.7 per cent in 2015. That new quantitative political commitment was built on the foundation of an initiative adopted in March 2005, when the industrialized and developing countries, including many LDCs, adopted the Paris Declaration on Aid Effectiveness.

Respect for international commitments underpins relations of trust within a well-defined and effective partnership between donor and developing countries. In that respect, I have the pleasure of confirming that Luxembourg earmarked more than 0.3 per cent of its gross national income to LDCs in 2004. The Brussels promise to reserve between 0.15 per cent and 0.2 per cent has been more than met. We have implemented it in the context of indicative cooperation programmes with 10 privileged partner countries. Those programmes guarantee, in the medium term and in conformity with the national development programmes of our partners, predictable assistance on the part of Luxembourg.

Such social sectors as education, health, access to water and local development are priorities of our cooperation. In view of the Secretary-General's recommendations, we are confident that this sectoral targeting will contribute concretely to achieving progress in the areas of governance, capacity-building and institution-building in LDCs, and above all gender parity and the fight against HIV/AIDS.

In conclusion, I reaffirm the continuing support of the Government of the Grand Duchy of Luxembourg for the implementation of the Programme of Action for the LDCs. They will find us to be reliable and trustworthy partners.

The Acting President: I give the floor to Her Excellency Ms. Nkosazana Dlamini Zuma, Minister for Foreign Affairs of South Africa, who will speak on behalf of the Group of 77 and China.

Ms. Zuma (South Africa): Allow me to congratulate the President on her election to the presidency of the General Assembly at its sixty-first session. We are delighted to see her presiding over this Meeting.

The Group of 77 and China welcomes the High-level Meeting to assess the progress made in the first five years of implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

The Group of 77 and China further welcomes the Cotonou Strategy, a comprehensive analytical midterm review of the status of the implementation of the Brussels Programme of Action for the first five years which clearly and succinctly outlines the achievements made thus far, the challenges ahead and the actions to be taken together by the least developed countries and development partners.

As a result of this midterm review, the Group of 77 and China notes with concern that insufficient progress has been achieved in the implementation of the Brussels Programme of Action and that, as indicated, very few least developed countries are expected to be able to meet the Brussels Programme of Action's objectives, goals and targets if current trends continue. The full implementation of the seven commitments must be adhered to if the least developed countries are to achieve the internationally agreed goals, including the Millennium Development Goals.

In spite of the appropriate measures taken and tremendous efforts made by the least developed countries themselves to build enabling national environments for the implementation of the Brussels Programme of Action in their efforts to pursue much-needed development, the support received from development partners is still insufficient or sometimes even completely lacking. The Group of 77 and China therefore calls on the development partners of the least developed countries to expeditiously fulfil their commitments.

The 2005 World Summit Outcome reaffirmed the commitments made to address the special needs of the least developed countries and urged all countries, all relevant organizations of the United Nations system and other relevant international organizations, including the Bretton Woods institutions, to make concerted efforts and adopt speedy measures for meeting in a timely manner the goals and targets of the Brussels Programme of Action.

We do not, however, think that sufficient work has been done to meet those commitments that were made as late as 2005. Achieving the goals and targets contained in the Programme of Action calls for continued and renewed commitment from the least developed countries and the development partners alike. It is vital that this partnership be reinvigorated and enhanced by promoting mutual and shared responsibilities between the least developed countries and their development partners in the interests of promoting economic growth and sustainable development in the least developed countries, thereby further promoting their integration into the world economy.

I would also like to reaffirm and agree with the midterm review that special attention should be given to gender equality. Gender equality is important not only in itself, but also in the achievement of the other Millennium Development Goals, such as reducing infant and maternal mortality, because without gender equality it will be very to attain those two goals. It is also important that agriculture, infrastructure, HIV/AIDS, tuberculosis, malaria and the obstacles to the exports of the least developed countries be attended to.

In conclusion, I should also like to say that coordinated action on the part of the United Nations and its agencies, funds and programmes should be enhanced to support least developed countries. More importantly, the development partners must fulfil the commitments they made at all the major United Nations summits over the past 10 years, especially the Monterey International Conference on Financing for Development and the Johannesburg World Summit on Sustainable Development. We all have a collective responsibility to assist and to show our solidarity with the least developed countries.

The Acting President: I now give the floor to His Excellency Mr. Rudolph Insanally, Minister for Foreign Affairs of Guyana, who will speak on behalf of the Rio Group.

Mr. Insanally (Guyana): On this important agenda item, I have the honour to speak on behalf of the countries of the Rio Group.

At this review of the Brussels Programme of Action, we must assess frankly the gains that have been made and seek to redeem the commitments of the Programme, as the thematic focus for this High-level Meeting enjoins us to do.

Important developments, including the doubling of official development assistance to least developed countries (LDCs) since 1999, the substantial reduction of the debt of the poorest countries, increased duty-free and quota-free market access for most LDC products, more systematized flows of untied aid, and increases in private capital flows provide encouraging signs that affirm the Brussels Programme as an invaluable catalyst for the sustainable growth and development of the LDCs.

At the recent High-level Dialogue on migration, much was made of the fact that LDCs now enjoy high volumes of remittances. Indeed, that is the case, but as a recent study by the International Monetary Fund has shown, those gains do not adequately compensate for the losses of skills and other resources on the part of the LDCs. All that glitters is not gold.

In the interests of time, I shall restrict my statement and make a longer version available to the General Assembly, but I wish simply to make the point that the situation of the LDCs remains very precarious. A comparison of available selected data for the LDCs reveals the arduous effort required to honour the commitments articulated in the Brussels Programme.

More worryingly, at present rates, even the minimal threshold of expected achievement cannot be guaranteed. In light of other considerations, such as the negative impact of the high incidence of HIV/AIDS and other infectious diseases and the need for quality economic growth, the reduction of inequalities and the preservation of the natural environment, a more sombre outlook for the LDCs is inevitable.

At this midpoint of the third Programme of Action, it is imperative that we make the changes necessary to ensure that our course is firmly charted towards achievement beyond the disappointing level of results of previous Programmes.

The first five years have underscored the efficacy of partnerships in achieving the objectives of the Programme. More intensive cooperation can thus accelerate progress and development to counter the crippling effects of the unequal global trade rules that now prevail. LDCs have themselves provided the leadership in articulating the focus and commitment now necessary to guarantee the full implementation of the Programme of Action. The Rio Group would call attention in that regard to the approach outlined in the Cotonou Strategy for the Further Implementation of the Programme of Action.

Countries of our Group have advanced proposals at the global level that take account of the kind of thinking, action and collaboration necessary if further progress is to be achieved. We believe that, in advancing the agenda of the LDCs, as well as other countries and regions that face special challenges, we must give greater consideration to ensuring that those proposals go beyond these limited objectives, including the call by my own country for the establishment of a new global human economic and social system, the Action Against Hunger and Poverty initiative of Brazil,

Chile and others, and the international humanitarian fund proposed by Venezuela.

The standard for the judgement of success stipulated by the Programme of Action itself is its contribution to the progress of LDCs towards achieving international development targets, as well as, if necessary, their graduation from the ranks of the LDCs. The report card at this stage shows that much better can and should be done.

The Rio Group therefore supports the strong renewal of the political commitment to LDCs by this High-level Meeting. We express our continued interest in the development of the LDCs and encourage all actors — the LDCs themselves, the partner countries, the international community and the Secretariat which helps them — to redouble their efforts to assure greater success and the full achievement of the objectives of the Programme of Action.

The Acting President: I now give the floor to His Excellency Mr. Moctar Ouane, Minister for Foreign Affairs of Mali.

Mr. Ouane (Mali) (*spoke in French*): Allow me first to convey to the President of the General Assembly the warm congratulations of the delegation of Mali on her outstanding election to the presidency of the General Assembly at its sixty-first session.

I should like next to congratulate and thank Mr. Chowdhury, High Representative of the Secretary-General for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, as well as all those who contributed to the excellent organization of this High-level Meeting on the Midterm Comprehensive Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010. By virtue of Mr. Chowdhury's dynamic and effective leadership, this Meeting is most timely, and the commitment shown by all has convinced us that it will produce important results that will allow us to pursue the implementation of the seven commitments contained in the Brussels Programme of Action.

Where do we find ourselves five years after the adoption of the Programme of Action? Let us be frank — the results do not live up to expectations. As a result, the least developed countries (LDCs) and their development partners need to devote additional efforts at the national, bilateral, subregional, regional and global levels to meeting the goals of the Brussels Programme of Action. It is from that standpoint that I wish very briefly to share the experience of Mali in this area.

Mali took active part in the Third United Nations Conference on the Least Developed Countries, which adopted the Brussels Declaration and Programme of Action. As a result, in 2002 the Government of Mali adopted a single reference framework for its development strategies and policies, which we call our Strategic Framework to Combat Poverty 2002-2006. The Framework identified three pillars covering the seven Brussels Programme of Action commitments: institutional development and improving governance and participation; developing human resources and access to basic social services; and developing basic infrastructure and productive sectors. In that regard, Mali's national report on its implementation of the Brussels Programme of Action allows us to come to the following conclusions.

With regard to access to basic social services, the overall education rate rose by 9.6 per cent, from 64.4 per cent in 2002 to 74 per cent in 2005. The proportion of people living within 5 kilometres of a health-care centre rose from 44 per cent in 2002 to 50 per cent in 2005. Vaccination coverage for diphtheria, tetanus, whooping cough and poliomyelitis 3 rose from 75 per cent in 2002 to 90 per cent in 2005. Access to drinking water rose from 57 per cent in 2002 to 66.1 per cent in 2005. Although they fell, maternal and infant mortality rates continue to be of concern at 500 per 100,000 live births and 113 per 1,000 live births, respectively.

As to basic infrastructure, telephone coverage rose from one line per 100 inhabitants in 2002 to seven lines per 100 in 2005. The overall rate for access to electricity rose from 12 per cent in 2002 to 15.03 per cent in 2005.

With respect to good governance, major progress was made with the adoption of a plan to modernize administration and to institutionalize the office of the general auditor.

However, the overall poverty rate did not fall during this period, despite the fact that the Malian economy enjoyed a real growth rate of approximately 5.1 per cent of gross domestic product, which falls short of the goal of 6.7 per cent identified by the Strategic Framework.

Very clearly, such conclusions can be applied to almost every least developed country. What is to be done? Let us first recall the truism that there can be no reduction of poverty without sustainable economic growth and a fair redistribution of the fruits of that growth. That is why Mali, drawing the lessons of the implementation of its first Strategic Framework, drafted a second for the period 2007-2011 that focuses on economic growth, in particular the development of productive sectors, the pursuit and consolidation of structural reform, and enhanced access to basic social services.

It is also clear that our objective to cut poverty in half by 2010 will require the international community's resolute commitment to increasing official development assistance, enhancing its effectiveness, and promoting the establishment of an international environment to facilitate the mainstreaming of the LDCs into the global economy. It will also require direct foreign investment and technology transfers.

There is also a need for the increased involvement of the Office of the High Representative of the Secretary-General for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in making the case to donors and cooperation agencies and in capacity-building for the LDCs, particularly in the area of trade.

Let me end as I started by stressing that Mali expects the declaration that will be adopted as the outcome of this High-level Meeting to be commensurate with the commitments that we all made in 2001, for how can we reasonably accept that, at a time when the world is richer than ever, the number of inhabitants of LDCs living in poverty will increase from 334 million in 2000 to 471 million in 2015?

The Acting President: I now give the floor to His Excellency Mr. M. Morshed Khan, Minister for Foreign Affairs of Bangladesh.

Mr. Khan (Bangladesh): I will try to make my statement brief.

This midterm review of the Programme of Action is extremely important for all of us, especially as we take stock of why the least developed countries (LDCs) are yet to achieve the target growth rate of 7 per cent per year and increase the gross domestic product (GDP) investment ratio of 25 per cent. As the Programme of Action correctly identified, the achievement of high growth rates will remain elusive for the LDCs unless there are substantial increases in investments. The average GDP growth rate has been less than 3 per cent since we adopted the Programme of Action in 2001, and investments have also remained very low.

For the LDCs, therefore, the primary constraint is the lack of capital. There was an expectation that there would be increased capital flow, development assistance and foreign direct investment into the LDCs to make up for the investment-savings gap, but the reality has been otherwise. Some relevant figures will prove the point. Official development assistance to LDCs in 2004, according to the most recent data available, amounted to $23.8 billion or $35.7 per person living in the LDCs. That is less than 10 cents a day, which certainly is not sufficient to complement income or boost the savings rate.

During the same year, the LDCs returned almost $6 billion in servicing their debts. Another $8 billion left the LDCs in terms of the net factor income of foreign companies and individuals operating in LDCs. The last source of outflow is perhaps the trickiest one — the LDC holdings of foreign exchange reserves. The LDCs collectively held over $28 billion in foreign reserves, in dollars and euros, which is essentially a very low-interest loan from the poorest countries to their rich benefactors. Between 2003 and 2004, LDC foreign exchange reserves increased nearly $5.5 billion: a net outflow. If we deduct these outflows from the official development aid (ODA) and foreign direct investment, net capital injection into LDCs is less than $5 billion a year, or only two cents per day for every LDC citizen. This is certainly not enough to make a dent in the perpetual savings-investment gap in the poorest countries of the world.

Lack of capital is one side of the coin; the other is the lack of market access. Following the adoption of the Programme of Action, the Doha development round of trade negotiations began with a big bang but soon hit gridlock without any consensus on special and differential market access for the LDCs. Even when tariff barriers are low, LDC exports face substantial non-tariff and para-tariff barriers, which essentially prevent any substantive growth in exports. In the WTO negotiations, there have also been attempts to pit LDCs against each other, giving selective preferences to selected LDCs. This must stop, and all LDC exports

must receive the same treatment: duty-free and quota-free market access.

The third problem is volatility in income. In a globalized world, an economic downturn in one country can have significant adverse effects on its trading partners. The LDCs unfortunately have no effective insulation against these so-called contagion effects. More important, the magnitude of shocks can be very different for rich and poor countries, as it can be for rich and poor households. There are also other external shocks, like the oil price hike, which disproportionately affect the LDCs. Then there are weather-related income shocks, produced by floods, drought and tsunamis, which erode domestic savings and impede investment. We need to take into account the asymmetric effects of various economic shocks on LDCs, especially against the backdrop of procyclical capital flows into the LDCs.

How do we tackle these challenges and put the Programme of Action on track to increase investment and growth? Please allow me to share some of my thoughts on these issues.

First, we need an innovative solution to deal with the burden of foreign exchange reserves on LDCs. The $28 billion reserve that the LDCs are currently holding is, in fact, an unfair tax on the LDCs, given that they cannot use it to finance their development efforts. One solution could be to allow LDCs to borrow against their own reserves at zero interest rate differentials. Currently, the LDCs are charged a substantial markup to borrow against their own foreign exchange reserves. The reserve-currency countries must commit themselves to this arrangement. Otherwise, it remains a one-way benefit for the developed countries, rather than for the LDCs.

Secondly, we need to ensure that capital flow to the LDCs is countercyclical. Lending and assistance to the LDCs must increase when there is an economic downturn. Countercyclical capital flows would smooth investment growth and make income less volatile in the LDC world.

Thirdly, we must devise new strategies and mechanisms to strengthen the LDCs' capacities to manage weather-related risks. The international community needs to address this in all earnestness and look into the possibility of introducing weather insurance and weather derivatives in the LDCs.

Fourthly, we need to revisit the rules of the World Trade Organization (WTO), especially the principle of single undertaking, to grant expeditiously exports from the LDCs duty-free and quota free access to developed markets, pending agreements on agricultural subsidies or on market access for non-agricultural goods. This is an imperative to resuscitate the Doha development round.

Fifthly, we need to step up our efforts to identify and eliminate the key supply side constraints that prevent LDC private sectors from becoming competitive globally. It is time that the international community take concrete measures to activate fully the Aid for Trade Initiative and an enhanced Integrated Framework, not only to remove capacity constraints but also to identify and address the problems of non-tariff and para-tariff barriers in the developed countries that impede LDC exports. Aid for Trade and an enhanced Integrated Framework should focus on the problems in both the developed economies and the LDCs.

Finally, there needs to be some monitoring and evaluation mechanism under the auspices of the United Nations to ensure implementation of the Brussels Programme of Action and the commitments made by the developed countries. We hope to see a better world tomorrow in line with this position.

The Acting President: I now give the floor to Mr. Ban Ki-moon, Minister for Foreign Affairs and Trade of the Republic of Korea.

Mr. Ban Ki-moon (Republic of Korea): Let me begin by extending my heartfelt congratulations to Ms. Haya Rashed Al-Khalifa as she assumes her responsibilities as President of the General Assembly at its sixty-first session. I wish her every success in this High-level Meeting on the least developed countries, and in all her noble work.

This midterm review is a valuable opportunity to assess our achievements in implementing the Brussels Programme of Action, to recommit ourselves to its goals, to exchange best practices and to seek effective ways to accomplish the work that lies ahead.

In my view, the priorities for the efforts of the LDCs and their development partners should converge along the following priorities. First, greater efforts need to be made to adopt and implement national development strategies. Many international agreements

and programmes related to the least developed countries, including strategies to achieve the Millennium Development Goals, are already in place, but the recommendations have yet to be fully incorporated into national plans and policies. The efforts of LDCs to adopt and implement development strategies should be reinforced with strong international support.

Secondly, capacity-building should be the central focus of the development efforts of LDCs and their partners. The improvements made in the field of education and health, as noted in the Secretary-General's report (A/61/173), must lead to greater investment in this area. The nurturing of human resources is vital for sustained development. Furthermore, the economic foundations of the LDCs should be strengthened through increased investment in infrastructure, energy, agriculture and rural development.

Thirdly, the role of women in development in the LDCs should be fully recognized. The empowerment of women and mainstreaming of gender perspectives into policymaking and policy implementation is central to social progress. Women's equal participation and input promote development. The proof from the ground in development projects, large and small, is clear: women and girls can be the most effective agents for change and social progress. Specifically, in the urgent tasks facing the LDCs, such as eliminating poverty and fighting HIV/AIDS, gender mainstreaming must be made a central pillar of policy strategy. Korea's experience also shows that lasting social change cannot be realized until women are fully incorporated into the process.

Fourthly, the least developed countries should strive continuously to strengthen good governance. It is disheartening to see many least developed countries continue to struggle in the face of conflict and civil unrest. It is nonetheless encouraging to see the strides being made in many others towards political stability and democratic reform. While it is true that no single model of democratic governance exists, governance can be improved by sharing best practices. In this regard, South-South cooperation can have its own benefits and advantages.

Finally, development partners must deliver on their commitments, especially in the areas of official development assistance, debt relief, market access and technical assistance. Even though positive progress has been made in these areas, more support is called for. My Government recognizes its responsibilities in this regard, and has been faithfully honouring its pledges. As announced at the World Summit last year, we will double our official development assistance (ODA) by 2009 and triple it, to about $3 billion, by 2015. We are now taking the necessary steps to introduce an air-ticket solidarity levy, which should strengthen our ODA. In particular, through our Initiative for Africa's Development, by 2008 we will triple our assistance to Africa, which is home to almost two thirds of the least developed countries.

But aid alone is not enough. The history of development in many countries, including my own, has shown that promoting trade is the most effective means of achieving sustained growth. That is why my Government supports the Aid for Trade Initiative, particularly for the least developed countries, and why we will also expand duty-free and quota-free access for goods from the least developed countries.

This midterm review is an opportunity for us to strengthen global partnerships for the development of the least developed countries. Let us rededicate ourselves to a world that nurtures today's least developed countries so that they can become tomorrow's engines for freedom and prosperity. The first step, of course, is to make sure that we use the next five years to keep the promises we made in Brussels.

The meeting rose at 1.15 p.m.